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**CITY OF NEW ROADS
NEW ROADS, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and other appropriate government officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-11-01

MAJOR & MORRISON

Certified Public Accountants

P. O. Box 190

111 West Main Street

New Roads, LA 70760

**CITY OF NEW ROADS
NEW ROADS, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

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**CITY OF NEW ROADS
NEW ROADS, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

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MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

VAN P. MAJOR, CPA, PC
JOHN L. MORRISON III, CPA, PC

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To Mayor Muckelroy and
Members of the City Council
New Roads, Louisiana 70765-08880

We have audited the accompanying general purpose financial statements of the City of New Roads, Louisiana as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of New Roads, Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

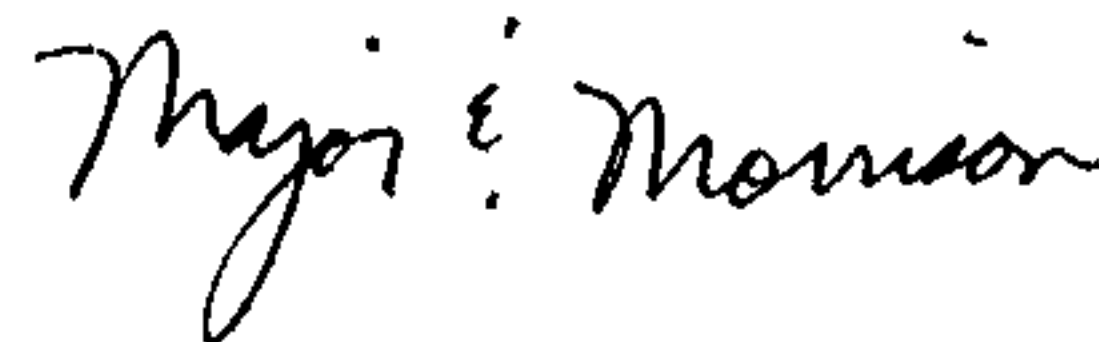
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of New Roads, Louisiana, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2001 on our consideration of the City of New Roads, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City of New Roads, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Major and Morrison
New Roads, Louisiana
June 13, 2001



General Purpose Financial Statements

(Combined Statements - Overview)

City of New Roads
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2000

	Governmental Fund Type		
	General Fund	Special Revenue Funds	Debt Service Fund
<u>ASSETS AND OTHER DEBITS</u>			
ASSETS:			
Current Assets			
Cash	\$ 256,274	\$ 47,818	\$ 0
Investments	1,397,245	0	0
Accounts receivable	62,335	0	0
Due from other funds	0	0	0
Due from other governmental units	162,882	0	0
Prepaid expenses	0	0	0
Restricted Assets			
Cash	41,277	0	184,657
Investments	0	0	0
Property, Plant & Equipment			
(net where applicable of accum depr)	0	0	0
Other Debits			
Amount available for debt retirement	0	0	0
Amount to be provided for debt retirement	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 1,920,013	\$ 47,818	\$ 184,657

The accompanying notes are an integral part of this financial statement.

<u>Proprietary Fund Type</u>		<u>Account Group</u>					
<u>Enterprise</u>		<u>General Fixed</u>	<u>General Long-term</u>	<u>Total</u>			
<u>Funds</u>		<u>Asset Group</u>	<u>Debt Group</u>	<u>Memorandum Only</u>			
\$	955,076	\$	0	\$	1,259,169		
	2,663,432		0		4,060,678		
	871,627		0		933,961		
	268,385		0		268,385		
	0		0		162,882		
	22,135		0		22,135		
	870,679		0		1,096,612		
	719,291		0		719,291		
	9,745,039	3,381,371	0		13,126,410		
	0	0	2,973		2,973		
	0	0	1,010,000		1,010,000		
\$	16,115,665	\$	3,381,371	\$	1,012,973	\$	22,662,497

The accompanying notes are an integral part of this financial statement.

City of New Roads
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
(Continued)
December 31, 2000

	Governmental Fund Type		
	General Fund	Special Revenue Funds	Debt Service Fund
LIABILITIES, EQUITY, AND OTHER CREDITS			
LIABILITIES:			
Current Liabilities			
Accounts payable	\$ 129,300	\$ 0	\$ 0
Accrued liabilities	37,465	0	0
Due to other funds	0	0	0
Due to other governmental units	0	4,475	0
Current Liabilities (from Restricted Assets)			
Other liabilities	51,374	0	0
Bonds payable	0	0	0
Deposits	0	0	0
Long-Term Liabilities			
Capital leases payable	0	0	0
Bonds payable	0	0	0
TOTAL LIABILITIES	218,138	4,475	0
EQUITY AND OTHER CREDITS			
Contributed Capital:			
Municipalities	0	0	0
Customers	0	0	0
Grants	0	0	0
Investment in general fixed assets	0	0	0
Retained Earnings:			
Reserved:			
Reserved for bond indenture	0	0	0
Unreserved:			
Designated for capital additions	0	0	0
Undesignated	0	0	0
Fund Balances:			
Reserved:			
Reserved for liability claims	39,717	0	0
Reserved for unemploy. claims	105,783	0	0
Reserved for health claims pay	41,277	0	0
Unreserved:			
Designated for debt service	0	0	184,657
Designated for grant	0	43,343	0
Undesignated	1,515,098	0	0
TOTAL EQUITY AND OTHER CREDITS	1,701,875	43,343	184,657
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,920,013	\$ 47,818	\$ 184,657

The accompanying notes are an integral part of this financial statement.

<u>Proprietary Fund Type</u>		<u>Account Group</u>			
<u>Enterprise</u>		<u>General Fixed</u>	<u>General Long-term</u>	<u>Memorandum Only</u>	
<u>Fund</u>		<u>Asset Group</u>	<u>Debt Group</u>	<u>Current Year</u>	
\$	428,216	\$	0	\$	557,516
	15,283		0		52,747
	268,385		0		268,385
	4,096		0		8,570
	0		0		51,374
	175,000		0		175,000
	210,802		0		210,802
	0		0	2,973	2,973
	4,900,000		0	1,010,000	5,910,000
	6,001,781		0	1,012,973	7,237,367
	2,321,621		0	0	2,321,621
	269,992		0	0	269,992
	1,100,245		0	0	1,100,245
	0	3,381,371		0	3,381,371
	1,145,863		0	0	1,145,863
	2,129,571		0	0	2,129,571
	3,146,592		0	0	3,146,592
	0		0	0	39,717
	0		0	0	105,783
	0		0	0	41,277
	0		0	0	184,657
	0		0	0	43,343
	0		0	0	1,515,098
	10,113,884	3,381,371		0	15,425,130
\$	16,115,665	\$	3,381,371	\$	22,662,497
				1,012,973	

The accompanying notes are an integral part of this financial statement.

City of New Roads
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2000

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Rev. Funds</u>	<u>Debt</u> <u>Serv. Fund</u>	<u>Total</u> <u>Memo Only</u>
REVENUES				
Taxes	\$ 1,005,321	\$ 0	\$ 0	\$ 1,005,321
Licenses and permits	255,379	0	0	255,379
Intergovernmental revenue	279,155	112,508	0	391,663
Charges for services	7,958	0	0	7,958
Fines and forfeitures	40,906	0	0	40,906
Miscellaneous	<u>739,075</u>	<u>3,238</u>	<u>7,460</u>	<u>749,773</u>
Total revenues	<u>2,327,795</u>	<u>115,746</u>	<u>7,460</u>	<u>2,451,001</u>
EXPENDITURES				
General government	1,404,038	0	0	1,404,038
Public safety	983,265	0	0	983,265
Streets and sanitation	345,230	0	0	345,230
Transportation	26,558	0	0	26,558
Culture and recreation	61,638	0	0	61,638
Capital outlay	155,140	0	0	155,140
Debt service	0	0	196,804	196,804
Welfare	0	108,524	0	108,524
Public works	<u>324,791</u>	<u>0</u>	<u>0</u>	<u>324,791</u>
Total expenditures	<u>3,300,659</u>	<u>108,524</u>	<u>196,804</u>	<u>3,605,987</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(972,864)</u>	<u>7,222</u>	<u>(189,344)</u>	<u>(1,154,986)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,046,455	0	199,240	1,245,695
Sale of fixed assets	5,288	0	0	5,288
Transfers out	<u>(413,231)</u>	<u>0</u>	<u>0</u>	<u>(413,231)</u>
Total other financing sources (uses)	<u>638,512</u>	<u>0</u>	<u>199,240</u>	<u>837,752</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(334,352)</u>	<u>7,222</u>	<u>9,896</u>	<u>(317,234)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>2,036,226</u>	<u>36,121</u>	<u>174,761</u>	<u>2,247,108</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,701,875</u>	<u>\$ 43,343</u>	<u>\$ 184,657</u>	<u>\$ 1,929,874</u>

The accompanying notes are an integral part of this financial statement.

City of New Roads
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUNDS - GENERAL FUND
For the Year Ended December 31, 2000

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,029,800	\$ 1,005,321	\$ (24,479)
Licenses & permits	172,000	255,379	83,379
Intergovernmental revenue	241,618	279,155	37,537
Charges for services	6,000	7,958	1,958
Fines and forfeitures	39,000	40,906	1,906
Miscellaneous	626,400	739,075	112,675
Total revenues	2,114,818	2,327,795	212,977
EXPENDITURES			
General government	1,224,300	1,404,038	(179,738)
Public safety	1,010,700	983,265	27,435
Streets and sanitation	327,500	345,230	(17,730)
Transportation	26,558	26,558	1
Culture and recreation	176,600	61,638	114,962
Capital outlay	727,470	155,140	572,330
Public works	351,525	324,791	26,734
Total expenditures	3,844,653	3,300,659	543,994
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,729,835)	(972,864)	756,971
OTHER FINANCING SOURCES (USES)			
Transfers in	830,000	1,046,455	216,455
Sale of fixed assets	2,600	5,288	2,688
Transfers out	(200,000)	(413,231)	(213,231)
Total other financing sources (uses)	632,600	638,512	5,912
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,097,235)	(334,352)	762,883
FUND BALANCES AT BEGINNING OF YEAR	2,036,226	2,036,226	0
FUND BALANCES AT END OF YEAR	\$ 938,991	\$ 1,701,875	\$ 762,884

The accompanying notes are an integral part of this financial statement.

City of New Roads
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
For the Year Ended December 31, 2000

	<u>Enterprise Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 5,616,032
Miscellaneous	<u>142,197</u>
Total operating revenues	<u>5,758,229</u>
OPERATING EXPENSES	
Personal services	408,646
Contracted services	68,935
Operating costs	3,360,573
Maintenance and supplies	297,096
Insurance	98,499
Utilities	62,750
Depreciation	<u>467,210</u>
Total operating expenses	<u>4,763,709</u>
Operating income	<u>994,520</u>
NONOPERATING REVENUES (EXPENSES)	
Miscellaneous	460,004
Bad debts recovered	1,851
Interest and fiscal charges	(339,775)
Gain on sale of fixed assets	35,000
Bad debts written off	<u>(25,388)</u>
Total nonoperating revenues (expenses)	<u>131,692</u>
Income before operating transfers	<u>1,126,212</u>
OPERATING TRANSFERS	
Transfers in	674,141
Transfers out	<u>(1,506,606)</u>
Total operating transfers	<u>(832,464)</u>
Net Income	293,748
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>6,128,279</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 6,422,026</u>

The accompanying notes are an integral part of this financial statement.

City of New Roads
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY TYPE FUNDS
For the Year Ended December 31, 2000

	<u>Enterprise Funds</u>
Cash flows from operating activities:	
Income (loss) before operating transfers	\$ 1,126,212
Adjustments to reconcile operating income to net operating cash provided by operating activities:	
Depreciation	467,210
(Gain)loss on sale of fixed asset	(35,000)
Changes in assets and liabilities:	
(Increase) Decrease in accts rec	(257,949)
(Increase) Decrease in due from other funds	151,231
(Increase) Decrease in prepaid exp	4,837
Increase (Decrease) in accts pay	160,953
Increase (Decrease) in due to other funds	(150,397)
Increase (Decrease) in accrd exp	2,165
Increase (Decrease) in meter deposits	3,108
Net cash provided (used) by operating activities	<u>1,472,371</u>
Cash flows from noncapital financing activities:	
Operating transfers in	674,141
Operating transfers out	<u>(1,506,606)</u>
Net cash provided from (used) for noncapital financing activities	<u>(832,464)</u>
Cash flows from capital and related financing activities:	
Acquisition and const of capital assets	(170,483)
Principal payments	<u>(165,000)</u>
Net cash provided from (used) for capital and related financing activities	<u>(335,483)</u>
Cash flows from investing activities:	
Purchase of investments	(3,063,684)
Proceeds from sale of investments	2,784,723
Proceeds from sale of fixed assets	<u>35,000</u>
Net cash provided (used) from investing activities	<u>(243,962)</u>
NET INCREASE (Decrease) IN CASH AND CASH EQUIVALENTS	60,462
Cash and cash equivalents at beginning of year	
Unrestricted cash	872,569
Restricted Cash	<u>892,724</u>
TOTAL BEGINNING CASH	<u>1,765,293</u>
Cash and cash equivalents at end of year	
Unrestricted cash	955,076
Restricted Cash	<u>870,679</u>
TOTAL ENDING CASH	<u>1,825,755</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

City of New Roads, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2000

INTRODUCTION

The City of New Roads, Louisiana (City) was incorporated by a special act of the Louisiana Legislature in 1875 (Act No. 34). The City operates under an elected Mayor-Council form of government, serving approximately 4,966 residents, consisting of the mayor and 5 council members (see Note 23) and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation and drainage, recreation, public improvements, planning and zoning, and general administrative services. The City also provides electrical, gas, water, and sewer utility services to its residents and to portions of areas outside the City limits. The City employs approximately 82 workers.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accounting and reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Audit Guide* and the industry audit guide, *Audit of States, Local Governments and Non-profit Organizations*, published by the American Institute of Certified Public Accountants.

B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the City of New Roads, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of New Roads, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. the ability of the City to impose its will on that organization and/or
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Considered in the determination of component units of the reporting entity were the Pointe Coupee Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board, as well as the City of New Roads and Judges of the Eighteenth Judicial District. It was determined that these governmental entities are not component units of the City of New Roads reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the City of New Roads.

The following organizations are related organizations, which have not been included in the reporting entity:

1. Joint ventures between the Parish of Pointe Coupee, Louisiana and the City of New Roads, Louisiana in which the financial statements are presented in the general purpose financial statements of the Parish -

False River Air Park Commission
False River Park & Recreation Commission

C. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

GOVERNMENTAL FUNDS

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

GENERAL FUND - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

SPECIAL REVENUE FUNDS - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPRIETARY FUNDS

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

ENTERPRISE FUNDS - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on their balance sheets. Operating statements of these funds present increases and decreases in net current assets. All governmental funds, expendable trust funds, and agency funds use the modified accrual basis of accounting. The governmental and expendable trust funds use the following practices in recording revenues and expenditures:

Revenues and other governmental fund financial resource increments are recognized in the accounting period when they become susceptible to accrual which is when they become both "measurable" and "available" to finance expenditures of the fiscal period.

Taxpayer-assessed sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Utility and franchise taxes, licenses and permits, fines and forfeitures, charges for services and miscellaneous revenue (except investment earnings) are recorded as revenue when cash is received because they generally are not measurable until actually received. Investment earnings are recorded as earned when they are measurable and available. Where grant revenue is dependent upon expenditures by the City, revenue is recognized when the related expenditures are incurred.

Property tax revenues are recognized when they become available. Available means when due, or past due and receivable, and collected generally within 60 days after year end.

Expenditures are recognized under the accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due in the Debt Service Fund.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All Proprietary Funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

GASB Statement Number 20 provides guidance on accounting and financial reporting for proprietary fund types and allows proprietary fund types to choose one of two options in applying pronouncements issued by the Financial Accounting Standards Board (FASB) as of November 30, 1989. The City of New Roads has elected to use the first option for reporting its activities. This approach applies all GASB pronouncements and FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Changes to FASB statements and interpretations, APB opinions and ARBs issued after November 30, 1989, would not apply unless adopted by GASB.

The revenue of Electric, Gas, Water, and Sewer systems, which is based upon rates authorized by the governing boards, is determined by billings to customer. Earned but unbilled revenue is accrued and reported in the financial statements.

E. BUDGETS

The municipality uses the following budget practices:

1. The proposed budget and amendments for fiscal year December 31, 2000 were made available for public inspection in accordance with RS 39:1306 beginning on December 13, 1999. The proposed budget was published in the official journal in accordance with RS 39:1306 on December 9, 1999. The public hearing was held in accordance with RS 39:1306 on December 21, 1999. The budget is legally adopted and amended, as necessary.
2. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.
3. Budgets are adopted on a GAAP Basis.
4. Budget amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated requires the approval of the City Council. Amendments were made to the original budget for the year ending December 31, 2000 and are reflected in the budget comparisons.

F. ENCUMBRANCES

The City does not follow the encumbrances method of accounting.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the municipality's investment policy.

In accordance with GASB Statement No. 31, the City reports investments at amortized cost, money market investments and participating interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

J. INVENTORIES

Inventories for supplies are considered immaterial and are recorded as expenditures or expenses when purchased.

K. PREPAID ITEMS

The City records prepaid assets for any significant expenditure that can be allocable to future periods.

L. RESTRICTED ASSETS

The City at its own discretion has restricted certain funds to be spent for specific purposes. See subsequent paragraphs to this note for the further explanations of reservation and designation of Fund Equity.

M. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. FIXED ASSETS (continued)

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method. The estimated useful lives are as follows:

Buildings	10-25 Years
Improvements Other Than Building	4-67 Years
Equipment	2-10 Years

N. COMPENSATED ABSENCES

Employees earn vacation in varying amounts according to years of service and vacation days are non-cumulative. Only with the Mayor's approval can vacation time be carried over to the next year. At December 31, 2000 no vacation time was approved by the Mayor to be carried over. Vacation time off is paid at the employee's base pay rate.

Vacation Earning Schedule
(Based on 8 hour days)

after 1 year of service	5 days
after 2 years of service	10 days
after 10 years of service	15 days
after 15 years of service	20 days

Employees earn 10 hours of sick leave per month beginning with the first day of employment. Sick leave can accumulate up to 360 hours. Employees are not compensated for accrued sick leave upon termination of employment.

O. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

P. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditure/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

R. SALES TAXES

The City of New Roads receives a one per cent (1%) sales and use tax. The sales tax ordinance requires that the avails of the City's sales tax be used for the purpose of constructing, acquiring, extending, improving and/or maintaining street and sidewalks (including widening, surfacing, repairing and street lighting), waterworks (including water supply, treatment, storage, and distribution), drainage facilities, sewerage facilities, public buildings, and/or fire department stations and any work or permanent public improvement, including equipment and furnishings therefore, title to which shall be in public; or for any one of more such purposes, or for any other lawful corporate purposes.

S. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial positions, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

T. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

NOTE 2 - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Citywide taxes:		
General Alimony -		
General Fund	6.41	6.41

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 2 - LEVIED TAXES (continued)

The following are the principal taxpayers for the parish (amounts expressed in thousands):

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed</u>	<u>Amount Assessed</u>
Regions Bank	Financial	\$ 1,774,200	9.2%	\$ 102,536
Cajun Electric	Electric	1,186,309	6.2%	68,533
Peoples Bank	Financial	1,021,810	5.3%	59,055
Wal-Mart	General Retail	676,345	3.5%	39,005
Bell South	Communications	486,210	2.5%	28,088
	Totals	\$ 5,144,874	26.70 %	\$297,217

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2000, the municipality has cash and cash equivalents (book balances) totaling \$2,355,781 as follows:

Cash on hand	\$ 595
Demand deposits	0
Interest-bearing demand deposits	2,355,186
Money market accounts	0
Times deposits	0
Total	\$2,355,781

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2000, the municipality has \$2,366,211 in deposits (collected bank balances). These deposits are secured from risk by \$400,000 of federal deposit insurance and \$5,779,151 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the municipality or its agent in the municipality's name

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 4 - INVESTMENTS (continued)

2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the municipality's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the municipality's name

At fiscal year-end, the municipality's investment balances were as follows:

Investments held at December 31, 2000, consisted of \$719,291 in United States Treasury Bills and \$4,060,678 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). LAMP investments at December 31, 1999 totaled \$3,739,060. In accordance with GASB Codification Section 150.165 the investment in LAMP at December 31, 2000, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. A board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's governs the corporation. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

<u>Type of Investment</u>	<u>Category</u> <u>1</u>	<u>Carrying Amount</u>		<u>Total</u> <u>Carrying</u> <u>Amount</u>
		<u>Fair</u> <u>Value</u>	<u>Amortized</u> <u>Cost</u>	
United States Treasury Bills	719,291	719,316	719,291	719,291
External Investment Pool		<u>4,060,678</u>	<u> </u>	<u>4,060,678</u>
Total Investments		<u>4,779,994</u>	<u>719,291</u>	<u>4,779,969</u>

The investments are in the name of the City of New Roads and are held in the trust department of custodial brokers selected by the City of New Roads. Because the investments are in the name of the City and are held by its agent, they are considered insured and registered, Category 1 in applying the credit risk of GASB Codification Section 150.164.

The treasury bills mature on February 8, 2001, with a par value of \$724,000.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 5 - ACCOUNTS AND INTERGOVERNMENTAL RECEIVABLES

The following is a summary of receivables at December 31, 2000.

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Rev. Fund</u>	<u>Enterprise Fund</u>
Intergovernmental			
Ad valorem	\$ 162,882	\$ -0-	\$ -0-
Federal	21,029	-0-	-0-
State	-0-	-0-	-0-
Local	-0-	-0-	-0-
Accounts	<u>41,306</u>	<u>-0-</u>	<u>871,627</u>
Total	\$ 225,217	\$ -0-	\$ 871,627

The City uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes and customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectability of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

NOTE 6 - FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
Land	\$ 595,490	\$ 95,842	\$ 0	\$ 691,332
Land Improvements	80,208	0	0	80,208
Construction in Progress	3,972	10,781	3,972	10,781
Buildings	1,851,149	0	0	1,851,149
Equipment	314,712	47,202	1,882	360,032
Furniture & Fixtures	18,366	1,898	0	20,264
Transportation Equipment	<u>294,932</u>	<u>111,781</u>	<u>39,108</u>	<u>367,605</u>
Totals	\$3,158,829	\$267,504	\$ 44,962	\$3,381,371

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 6 - FIXED ASSETS (continued)

A summary of proprietary property, plant, and equipment follows:

	Enterprise Funds
Land	\$ 33,895
Buildings	42,833
Improvements other than Building	18,642,384
Furniture & Fixtures	40,428
Transportation Equipment	352,210
Distribution	338,473
Equipment	<u>95,103</u>
Totals	\$ 19,545,326
Less accumulated depreciation	<\$ 9,800,287>
Net Fixed Assets	<u>\$ 9,745,039</u>

NOTE 7 - PENSION PLAN

Substantially all employees of the City of New Roads are members of either the Municipal Employees Retirement System of Louisiana or the Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees' Retirement System of Louisiana

Plan Description. The System is composed of two distinct plans. Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 7 - PENSION PLAN (continued)

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of New Roads is required contribute at an actuarially determined rate. The current rate is 5.75% (6.25% as of July 1, 2000) of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of New Roads are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of New Roads contributions to the System under Plan A for the years ending December 31, 2000, 1999, and 1998, were \$50,431, \$42,865, and \$40,536, respectively, equal to the required contributions for each year.

B. Municipal Police Employees' Retirement System of Louisiana

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of New Roads is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of New Roads are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of New Roads contributions to the System for the years ending December 31, 2000, 1999, and 1998, were \$38,888, \$39,173, and \$35,290, respectively, equal to the required contributions for each year.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

The City of New Roads provides certain continuing health care and life insurance benefits for its retired employees, approximately 27 retirees. Substantially all of the City of New Roads' employees become eligible for these benefits if they reach normal retirement age while working for the City of New Roads.

The City of New Roads recognizes the cost of providing these benefits as an expenditure when benefit costs are paid. The cost of retiree benefits totaled \$46,287 for the year ended December 31, 2000.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$872,440 at December 31, 2000, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Proprietary Funds</u>
Salaries & Withholdings	\$ 37,465	\$ 15,283
Accounts	129,300	428,216
Other	<u>51,374</u>	<u>210,802</u>
Total	\$ 218,139	\$654,301

NOTE 10 - LEASES

The municipality records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital leases at December 31, 2000.

<u>Type</u>	<u>Recorded Amount</u>
Equipment	\$ 10,051

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 2000:

<u>Fiscal year:</u>	<u>Equipment</u>
2001	<u>3,392</u>
Total minimum lease payments	\$ 3,392
Less -amount representing interest	\$ <u>419</u>
Present value of net minimum Lease payments	\$ <u>2,973</u>

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 10 - LEASES (continued)

The municipality has an operating lease of the following nature:

In March 1952, the City entered into a 99-year lease agreement with St. Mary's Roman Catholic Church of False River to supply its utilities in exchange for the use of land on which part of the City Hall now stands. In August, 1980, a decree was passed which limited the amount of utilities the church could obtain for the use of the land.

The value of the operating lease payments remaining on all leases is as follows:

<u>Year Ending 12/31</u>	<u>St. Mary's</u>
2001	30,105
2002	30,105
2003	30,105
2004	30,105
2005	30,105
2006-2051	<u>1,366,296</u>
	<u>\$1,516,821</u>

NOTE 11 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2000:

	<u>Bonded Debt</u>	<u>Capital Leases</u>	<u>Total</u>
Long-term obligations payable			
At December 31, 1999	\$6,390,000	\$ 5,973	\$6,395,973
Additions	0	0	0
Deductions	<u>305,000</u>	<u>3,000</u>	<u>308,000</u>
Long-term obligations payable			
At December 31, 2000	\$6,085,000	\$ 2,973	\$6,087,973

General obligation bonds, revenue bonds, certificates of indebtedness, et cetera, are comprised of the following individual issues:

General Obligation Bonds:

\$1,530,000 1996 Certificates of Indebtedness due in semi-annual interest installments and annual principal installments of amounts from \$120,000 to \$190,000 with an interest rate of 5.225%, due through May 1, 2006. \$1,010,000
The 1996 General Obligations Debt service fund is used to accumulate monies for the repayment.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 11 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (continued)

Revenue Bonds:

Electric System Upgrade:

\$3,000,000 1992 Certificates of Indebtedness due in semi-annual interest and annual principal installments of amounts from \$60,000 to \$235,000 with interest rates from 3.80% to 7.00% due through July 1, 2017. \$2,460,000
 The Electric Utility System fund is used to retire these issues.

Water / Sewer System Upgrade:

\$3,135,000 1993 Certificates of Indebtedness in semi-annual interest and annual principal installments of amounts from \$65,000 to \$245,000, with interest rates from 3.50% to 6.75% due through July 1, 2017. \$2,615,000
 The Water and Sewer Utilities System fund is used to retire these issues.

At December 31, 2000, the municipality has accumulated \$ 184,657 in the debt service funds for future debt requirements. The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 2000, including interest payments of \$3,584,712 are as follows:

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT

Year Ending 12/31	General Obligation Bond	Electric Revenue Bond	Water/Sewer Revenue Bond	Total
2001	198,854	247,118	257,167	703,139
2002	195,886	247,019	256,755	699,660
2003	197,526	246,490	255,953	699,969
2004	193,774	245,541	259,598	698,913
2005	194,630	244,185	257,678	696,493
Thereafter	194,964	2,918,623	3,057,951	6,171,538
	<u>\$1,175,634</u>	<u>\$4,148,976</u>	<u>\$4,345,102</u>	<u>\$ 9,669,712</u>

General Obligation Bonds

On May 22, 1996, the City issued \$1,530,000 of General Obligation Bonds, the proceeds of which were used to refund the remaining balance of the 1990 Series \$1,530,000 General Obligation Bonds and to provide funds for making capital improvements for the City of New Roads.

The bond was issued in the form of one certificate in the amount of \$1,530,000. It bears interest payable on May 1 and November 1 of each year at the rate of 5.225% and matures on May 1 of each year beginning May 1, 1997, with the final installment due May 1, 2006. These bonds are secured by and payable in principal and interest solely from a pledge and dedication of the excess of annual revenues of the City of New Roads for the years ending December 31, 1996 to December 31, 2006.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 11 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (continued)

The bond resolution required the establishment of the following accounts with the City's designated fiscal agent:

Sinking Fund - The City is required to make monthly deposits equal to 1/12 of the next year's payment of interest and principal on the bonds. This fund is to be depleted each sinking fund year (ending May 1) except for a reasonable carryover as defined in the bond resolution.

Revenue Bonds:

On July 1, 1992 the City issued \$3,000,000 of Electric System Revenue Bonds, the proceeds of which were used to acquire and construct extensions and improvements to the electric distribution system.

These bonds were issued in denominations of \$5,000. They bear interest payable on January 1, of each year at rates of 3.80% to 7.0% and mature on July 1, of each year beginning July 1, 1993, with the final installment due on July 1, 2017. These bonds are secured by and payable in principal and interest solely from the income and revenues earned from the electric system.

The bond resolution requires that the City will establish and maintain electric rates and fees so that the system will provide sufficient revenues to pay the normal operating expenses of the system, the annual debt payment, and the reserves and/or sinking funds required by bond agreement.

The bond resolution required the establishment of the following accounts:

Electric System Revenue Fund -

The City is required to deposit daily into this fund the income and revenues earned from the operation of the electric system. This account is used to pay for the reasonable and necessary expenses of the system and fund the reserves required by the bond agreement.

Electric System Revenue Bond Sinking Fund -

This fund is to be used to pay the next required installment of interest and principal. The City is required to make monthly deposits by the 20th of each month, beginning July 20, 1992, equal to 1/6th of the next interest installment and 1/12th of the next principal installment.

Electric System Revenue Bond Debt Service Fund -

This fund is to be used solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund, if they should otherwise go into default. It is required to be funded in an amount equal to the highest combined principal and interest requirement for any succeeding sinking fund year. The Reserve Fund was initially funded with \$251,450 from the bond issuance proceeds. Monies in the reserve fund must be invested in Government Securities, maturing in five years or less from the date of investment.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 11 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (continued)

Electric System Capital Additions and Contingencies Fund -

The City is to deposit into this account by the 20th of each month, 5% of the gross revenues of the system for the preceding month. The funding must continue until \$200,000 has been accumulated in the account. These monies may be used to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system. They may also be used to pay principal and interest on the bonds if there are insufficient funds in the Sinking or Reserve funds; however, the fund may not be depleted for the above uses to less than \$5,000. If the balance is reduced below \$200,000, funding shall be resumed until the maximum is again accumulated.

Water / Sewer System Revenue Bonds:

On March 1, 1993, the City issued \$3,135,000 of Water and Sewer System Revenue Bonds, the proceeds of which were used to acquire and construct extensions and improvements to the water treatment and distribution systems and the sewer collection, treatment, and disposal system.

The bond resolution requires that the City will establish and maintain electric rates and fees so that the system will provide sufficient revenues to pay the normal operating expenses of the system, the annual debt payments, and fund the reserves and/or sinking funds required by the bond agreement.

The bond resolution required the establishment of the following accounts:

Water and Sewer System Revenue Fund -

The City is required to deposit daily into this fund the income and revenues earned from the operation of the water and sewer system. This account is used to pay for the reasonable and necessary expenses of the system and fund the reserves required by the bond agreement.

Water and Sewer System Revenue Bonds Sinking Fund -

This fund is to be used to pay the next required installment of interest and principal. The City is required to make monthly deposits by the 20th of each month, beginning in April 1993, equal to 1/6th of the next interest installment and 1/12th of the next principal installment.

Water and Sewer Revenue Bond Debt Service Fund -

This fund is to be used solely for the purpose of paying the principal and interest on the bonds payable for the Sinking Fund, if they should otherwise go into default. It is required to be funded in an amount equal to the highest combined principal and interest requirement for any succeeding sinking fund year. The Reserve Fund was initially funded with \$275,400 from the bond issuance proceeds. Monies in the reserve fund must be invested in Government Securities, maturing in five years or less from the date of investment.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 11 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (continued)

Water and Sewer System Capital Additions and Contingencies Fund -

The City is to deposit into this account by the 20th of each month, 5% of the gross revenues of the system for the preceding month. The funding must continue until \$200,000 has been accumulated in the account. These monies may be used to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the systems. They may also be used to pay principal and interest on the bonds if there are insufficient funds in the Sinking or Reserve funds, however, the fund may not be depleted for the above uses to less than \$5,000. If this balance is reduced below \$200,000, funding shall be resumed until the maximum is again accumulated.

NOTE 12 - INTERFUND ASSETS/LIABILITIES

The following is a summary of interfund receivable and payable balances at December 31, 2000:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Enterprise Funds -		
Electric Utility System:		
Natural Gas System	0	221,259
Water & Sewer System	0	47,126
Water & Sewer Utility System:		
Electric Utility System	47,126	0
Natural Gas System:		
Electric Utility System	<u>221,259</u>	<u>0</u>
Total	<u>\$268,385</u>	<u>\$268,385</u>

NOTE 13 - INTERGOVERNMENTAL PAYABLE

The following is a summary of the intergovernmental payable due other governments at December 31, 2000:

<u>Payable to</u>	<u>Special Revenue Section 8 Program Fund</u>	<u>Proprietary Funds</u>
U.S. Dept of HUD	\$4,475	
La Dept of Health & Hospitals		\$ 4,096

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 14 - RESERVED AND DESIGNATED EARNINGS/FUND BALANCES

Proprietary Funds:

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distributions.

Reservations of retained earnings of enterprise funds are created by increases in assets restricted for a certain use. These increases result from earnings on restricted assets and other interfund transfers to restricted accounts. Earnings on restricted assets are included in net income of the Enterprise Funds. When reserved retained earnings are increased there is an equal reduction to the portion of retained earnings that is unreserved. Designations are established to indicate tentative plans for financial resource utilization in future periods. Specific reservations and designations of retained earnings are described below:

Reserve for Bond indentures - This represents the amounts required to be held in the sinking, reserve, and capital addition funds in accordance with the bond agreements for the \$3,000,000 revenue bonds issued in 1992 and the \$3,135,000 revenue bonds issued in 1993.

Designated for Capital Additions - This designation was made to indicate monies in the Electric Utility System, the Natural Gas Fund, and the Water and Sewer Utility System Fund which are to be used for capital additions in future years.

Governmental Funds:

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Designations are established to indicate tentative plans for financial resource utilization in a future period. Specific reservations and designations of the fund balance accounts are summarized below.

Reserve for Unreported Liability Claims - This reserve was created by the council to segregate a portion of the fund balance account to cover any costs that might be incurred due to changes in the coverage should any claims not be reported when incurred, which had the effect of reducing liability insurance premiums.

Reserve for Unemployment Compensation Claims - This reserve was created by the council to segregate a portion of the fund balance account to cover unemployment compensation claims as more fully explained in Note 20.

Reserve for Health Claims - The City entered into a self-insured hospitalization plan during 1992. This represents the amount reserved for future claims. (See Note 20 for more information on the self-insured plan.)

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 14 - RESERVED AND DESIGNATED EARNINGS/FUND BALANCES (continued)

Designated for Debt Service - This designation was created to segregate a portion of the fund balance account for debt service, including both principal payments and interest payments. The designation was established to satisfy legal restrictions imposed by various bond agreements.

Designated for Grant - Funds designated by grants for future program costs. This designation occurs in the Section 8 Fund.

NOTE 15 - SEGMENT INFORMATION

Some services provided by the City are financed by user charges - electric, water, sewer, and natural gas. The significant financial data for these enterprises are as follows:

	<u>Electric</u>	<u>Natural Gas</u>	<u>Water Sewer</u>	<u>Total</u>
Operating Revenues	\$3,625,351	\$1,181,187	\$ 951,691	\$5,758,229
Depreciation	163,108	28,188	275,914	467,210
Operating Income	742,778	98,110	153,632	994,520
Net Income (Loss)	572,490	(414,500)	135,757	293,748
Property, Plant, and Equipment Additions	1,737	577	168,170	170,483
Total Assets	7,326,239	1,113,743	7,675,683	16,115,665
Fund Equity	4,227,985	844,570	5,041,330	10,113,884
Net Working Capital	3,764,589	518,664	985,591	5,268,844

NOTE 16 - CHANGES IN CONTRIBUTED CAPITAL

The balances in contributed capital did not change from the prior year.

NOTE 17 - JOINT VENTURES

Condensed or summarized below is the latest available financial information on each of the City's joint ventures with the Parish:

	<u>False River Air Park Commission Unaudited</u>	<u>False River Park & Recreation Commission Scott Civic Center Unaudited</u>
Balance Sheet Date	12/31/00	12/31/00
Total Assets(not including GFA)	\$ 8,180	\$ 35,716
Total General Fixed Assets(GFA)	3,039,732	2,075,183
Total Liabilities	2,432	0
Total Equity	5,748	35,716
Total Revenues	96,704	63,052
Total Expenditures	98,250	81,365
Total Other Financing Sources (Uses)	0	30,400
Net Increase (Decrease) in Fund Balance	(1,546)	12,087

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 17 - JOINT VENTURES (continued)

False River Air Park Commission

The False River Air Park Commission is 50% owned by the City. For the year covered by the financial statement above, the City contributed \$26,557 as an operating grant to cover expenses of the facility. The False River Air Park Commission is a component unit of the Pointe Coupee Parish Police Jury because the Pointe Coupee Parish Police Jury is the governing authority for Pointe Coupee Parish.

False River Park & Recreation Commission

The False River Park & Recreation Commission is 50% owned by the City. For the year covered by the financial statement above, the City contributed \$25,000 as an operating grant to cover expenses of the park facility and Scott Civic Center. The False River Park & Recreation Commission is a component unit of the Pointe Coupee Parish Police Jury because the Pointe Coupee Parish Police Jury is the governing authority for Pointe Coupee Parish.

NOTE 18 - LITIGATION AND CLAIMS

The City is a defendant in several pending lawsuits. It is in the City attorney's opinion that in each case the City is fully insured against the risk involved in the respective actions and that they are being actively defended by counsel of the City's insurers. The ultimate resolution of these lawsuits cannot be presently determined and no provision for any liability that may result from such claims has been made in the financial statements. Claims and litigation costs of \$7,680 were incurred in the current year and recorded as current-year expenditure in the General Fund.

NOTE 19 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; health benefits; and natural disasters. The City currently reports all of its risk management activities in its General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

In a previous year, the City elected the "reimbursement method" for unemployment compensation benefits whereby each quarter the City contributes 5% of quarterly wages to the unemployment cash account in lieu of paying contributions to the State. If any claims are paid by the state, the City reimburses the state from this account. The City has no estimated unemployment compensation liability as of year end. At year end, the cash account had \$105,783 held for purposes of funding future unemployment claims liabilities. As a result, \$105,783 of the general fund balance is designated for payment of future unemployment claims liabilities.

In a previous year, the City decided to retain some of the risk with respect to at fault damages to City owned vehicles. The City carries a fleet insurance policy on all City owned vehicles, but is self-insured for at-fault damage to City owned vehicles. The cash account was funded by the amount of insurance premiums saved when this account was established, plus annual interest earnings. The City has no estimated liability for damaged vehicles as of year end. At year-end, this cash account had \$39,717 held for purposes of funding future claims. As a result, \$39,717 of the general fund balance is designated for payment of future vehicle liability claims.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 19 - RISK MANAGEMENT (continued)

On December 1, 1992, the city began a self-insurance medical plan by establishing the City of New Roads Employee Benefit Plan. This plan provides employee health benefits up to a \$1,000,000 lifetime maximum benefit (with lower limits for mental and nervous/drug and alcohol service). The City purchases a commercial stop loss policy with a \$15,000 annual deductible for claims in excess of coverage provided by the fund. The policy also provides for a cumulative aggregate monthly payment of the City used to pay for claims.

All funds of the City participate in the plan and make payments to the City of New Roads Employee Benefit Plan based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. The claims liability of \$51,374 reported in the General Fund at December 31, 2000, is based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City currently does not discount its claims liabilities.

The City has adopted the provisions of GASB Statement Number 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Item". This self-insured fund is accounted for in the General Fund. As required by this statement, a Reconciliation of Claims Liabilities and Reservations is shown below.

	<u>Unemployment Compensation</u>	<u>Vehicle Liability</u>	<u>Health Benefits</u>	<u>Totals</u>
Beginning of Fiscal Year Liability	\$ 0	\$ 0	\$ 34,014	\$ 34,014
Current Year Claims And Changes in Estimates	0	0	376,059	376,059
Claim Payments	<u>0</u>	<u>0</u>	<u><358,699></u>	<u><358,699></u>
End of Fiscal Year Liability	\$ 0	\$ 0	\$ 51,374	\$ 51,374

At December 31, 2000, the Employee Benefits cash account had a balance of \$41,277 held for purposes of funding the City's future claims liabilities. As a result, \$41,277 of the general fund balance is designated for payment of future health claims liabilities.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 20 - FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The City of New Roads participates in the following federal financial assistance programs:

Pass-Through Federal Grants/ Program Title	CFDA Number	Grantors Number	Expenditures
United States Forest Service			
Passed Through:			
State of Louisiana Department of Agriculture & Forestry	10.664	CFMS#560463	
Urban & Community Forestry Comprehensive Gr.		Project#00-NROA-P	\$ 3,851
United States Department of Housing And Urban Development			
Direct:			
Section 8 – Housing Assistance Program	14.856	Proj#LA205VO LA205CE	\$ 112,508
United States Department of Justice			
Indirect:			
Passed Through: State of Louisiana			
Louisiana Commission on Law Enforcement Electronic Equipment	16.592	Project #P005040	\$ 960
Direct:			
Office of Community Oriented Policing Services COPS Grant	16.710	Grant #: 95CFWX5036 ORI #: LA03901	\$ 48,532
Office of Justice Programs Local Law Enforcement Block Grants	16.592	Grant #00LBBX0324 #99LBVX7960 #98LBVX6292	\$ 39,325
National Park Service Historic Preservation Fund			
Passed through:			
Louisiana Dept. of Culture, Recreation & Tourism CLG Main Street Program	15.904	Grant #220015321	\$ 4,064
United States Department of Labor			
Passed through Tangipahoa Parish School Board			
Job Training Partnership Act	17.250	Contr. # 20-3199	\$ 7,296
United States Department of Transportation			
National Highway Traffic Safety Administration			
Passed Through:			
Louisiana Highway Safety Commission Safe & Sober Campaign	20.605	Project #0191-121	\$ 1,164
Total (All Federal)			\$217,700

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 21 - LOUISIANA ENERGY AND POWER AUTHORITY CONTRACT

The Louisiana Energy and Power Authority (LEPA), a political subdivision of the State of Louisiana, has joined nineteen Louisiana municipalities together in order to provide the members facilities for the generation and transmission of electric power. LEPA has obtained a 20% undivided ownership interest in a coal-fired steam electric generating unit under a Joint Ownership Agreement. The other two members of the agreement, Central Louisiana Electric Company, Inc. (CLECO) and Lafayette Public Power Authority (LPPA) have ownership interests of 30% and 50%, respectively. An Owner Committee consisting of LEPA, CLECO, and LPPA was formed to make recommendations to CLECO, the plant operator, and to decide on various issues including construction and operating budgets.

On October 1, 1992, the City of New Roads together with four other cities entered into Power Sales Contracts with LEPA. Each city is required to purchase its respective entitlement share of generated electricity. The aggregate entitlement shares of all the cities equals 100%, of which the City's share is 2.83%. Each city is required to pay monthly for its entitlement share of power capability and energy on a take-or-pay basis, whether or not the unit is operating. The Power Sales Contracts will continue in effect until all bonds issued by LEPA have been provided for or the date the Contracts are terminated and settlement complete; however, in no event will the contracts continue beyond July 1, 2023.

On June 28, 1989, the City entered into a capacity purchase and operating agreement with LEPA, effective January 1, 1990. LEPA assumed full responsibility for the operation, maintenance, and control of the City's generating facilities. LEPA also provides labor, materials, insurance, supplies and maintenance costs. In turn, the City pays LEPA for the purchased capacity on a monthly basis as specified in the agreement.

NOTE 22 - UTILITY SERVICE AGREEMENTS

Pointe Coupee Parish Sewerage District No. 1

An agreement between the Sewerage District No. 1 of Pointe Coupee Parish and the City of New Roads provided for the billing of Customers on the sewerage system who are also customers on the City's utility system. This billing agreement went into effect for the month of November 1980. Under the term of the agreement, the City retains \$1.50 per customer as a billing fee.

Solid Waste Disposal

An Agreement between the Solid Waste Disposal System of the Parish of Pointe Coupee and the City of New Roads provides for the billing of customers on the City's system. This billing agreement went into effect for the month of October 1985. Under the terms of the agreement, the City retains \$1.50 per customer as a billing fee. On December 1, 2000, the City entered into its own solid waste disposal contract and will collect fees from residents within the city limits.

City of New Roads, Louisiana
Notes to the Financial Statements (continued)

NOTE 23 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Mayor - Sylvester Muckelroy	\$35,600
Council:	
Ronald Jewell	8,400
Bernadine St. Cyr	8,400
Kurt Kellerman	9,600
Kirk White	8,400
Walter Warr, Jr.	<u>8,400</u>
Total Compensation	<u>\$78,800</u>

NOTE 24 - DEFINITION OF CASH AND CASH EQUIVALENTS USED IN THE STATEMENT OF CASH FLOWS

For the purpose of the Statement of Cash Flows presented in the proprietary type funds, cash and cash equivalents are defined as unrestricted and restricted cash.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specific purposes.

HUD-Section 8 Program Fund

The HUD-Section 8 Program Fund is used to account for funds which are designated to aid low-income families to obtain decent, safe, and sanitary housing through a system of rental subsidies.

City of New Roads
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2000

	<u>HUD-Section 8 Program Fund</u>
 <u>ASSETS</u>	
Current Assets	
Cash	\$ 47,818
Due from other governmental units	<u>0</u>
 TOTAL ASSETS	 <u>\$ 47,818</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
LIABILITIES	
Current Liabilities	
Due to other governmental units	\$ <u>4,475</u>
 TOTAL LIABILITIES	 <u>4,475</u>
 FUND EQUITY - fund balances	
Unreserved	
Designated for grant	43,343
Undesignated	<u>0</u>
 TOTAL FUND EQUITY	 <u>43,343</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 47,818</u>

City of New Roads
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2000

	<u>HUD - Section 8 Program Fund</u>
REVENUES	
Taxes	\$ 0
Intergovernmental revenue	112,508
Miscellaneous	<u>3,238</u>
Total revenues	<u>115,746</u>
EXPENDITURES	
General government	0
Welfare	<u>108,525</u>
Total expenditures	<u>108,525</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>7,222</u>
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>0</u>
Total other financing sources (uses)	<u>0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	7,222
FUND BALANCES AT BEGINNING OF YEAR	<u>36,121</u>
FUND BALANCES AT END OF YEAR	<u>\$ 43,343</u>

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

1996 \$1,530,000 General Obligation Bonds

The 1996 General Obligation Bonds Debt Service Fund is used to accumulate monies for the repayment of the \$1,530,000 1990 Certificates of Indebtedness. General Fund revenues finance these bonds. These Certificates mature on May 1 of each year beginning in 1997, with the final payment due in the year 2006, with an interest rate of 5.225%. The bonds were issued to defease the 1990 Series Bonds and to provide resources for various City capital improvement projects.

City of New Roads
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2000

	<u>1996 \$1.53 Bonds Debt Service Fund</u>
REVENUES	
Interest	\$ 7,460
Total revenues	<u>7,460</u>
EXPENDITURES	
Debt service	<u>196,804</u>
Total expenditures	<u>196,804</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(189,344)</u>
OTHER FINANCING SOURCES (USES)	
Operating transfers in	199,240
Operating transfers out	<u>0</u>
Total other financing sources (uses)	<u>199,240</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	9,896
FUND BALANCES AT BEGINNING OF YEAR	<u>174,761</u>
FUND BALANCES AT END OF YEAR	<u>\$ 184,657</u>

ENTERPRISE FUNDS

Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprise where that intent of governing body is that the costs (expenses, including the depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes.

Electric Utility System Fund -

The Electric Utility System Fund is used to account for the provisions of electric, electric services to residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, debt service, and billing and collections.

Natural Gas Utility System Fund -

The Natural Gas Utility System Fund is used to account for the provision of natural gas service to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing, and collections.

Water and Sewer Utilities System Fund -

The Water and Sewer Utilities System Fund is used to account for the provisions of the water and sewer services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, debt service, and billing and collections.

**City of New Roads
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2000**

	<u>Electric Utility System</u>	<u>Natural Gas Utility System</u>	<u>Water & Sewer Utility System</u>	<u>Total Memo Only</u>
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 784,656	\$ 134,079	\$ 36,341	\$ 955,076
Investments	1,854,180	431,829	377,423	2,663,432
Accounts receivable	871,627	0	0	871,627
Due from other funds	0	221,259	47,126	268,385
Prepaid expenses	12,584	670	8,881	22,135
Restricted Assets:				
Cash	622,041	0	248,638	870,679
Investments	342,756	0	376,535	719,291
Property, Plant & Equipment (net of accum depreciation)	2,838,395	325,905	6,580,738	9,745,039
TOTAL ASSETS	\$ 7,326,239	\$ 1,113,743	\$ 7,675,683	\$ 16,115,665
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	\$ 152,169	\$ 265,810	\$ 10,237	\$ 428,216
Accrued liabilities	7,031	3,363	4,889	15,283
Due to other funds	268,385	0	0	268,385
Due to other gov't units	(132)	0	4,228	4,096
Curr Liab (from Restr Assets):				
Bonds payable	85,000	0	90,000	175,000
Deposits	210,801	0	0	210,801
Long-Term Liabilities:				
Bond payable	2,375,000	0	2,525,000	4,900,000
TOTAL LIABILITIES	3,098,255	269,174	2,634,353	6,001,781
<u>FUND EQUITY</u>				
Contributed Capital:				
Municipalities	526,568	6,512	1,788,540	2,321,620
Customers	269,992	0	0	269,992
Grants	615,565	0	484,680	1,100,245
Retained Earnings:				
Reserved				
Reserved for bond indenture	610,690	0	535,173	1,145,863
Unreserved				
Designated for capital addns	1,320,319	431,829	377,423	2,129,571
Unreserved	884,850	406,228	1,855,513	3,146,592
TOTAL FUND EQUITY	4,227,985	844,570	5,041,330	10,113,884
TOTAL LIABILITIES AND FUND EQUITY	\$ 7,326,239	\$ 1,113,743	\$ 7,675,683	\$ 16,115,665

City of New Roads
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the Year Ended December 31, 2000

	<u>Electric Utility System</u>	<u>Natural Gas Utility System</u>	<u>Water & Sewer Utility Systems</u>	<u>Total Memo Only</u>
OPERATING REVENUES				
Charges for services	\$ 3,491,919	\$ 1,172,422	\$ 951,691	\$ 5,616,032
Miscellaneous	133,432	8,765	0	142,197
Total operating revenues	<u>3,625,351</u>	<u>1,181,187</u>	<u>951,691</u>	<u>5,758,229</u>
OPERATING EXPENSES				
Personal services	171,850	83,405	153,391	408,646
Contracted services	19,138	20,020	29,777	68,935
Operating costs	2,372,238	901,445	86,890	3,360,573
Maintenance and supplies	101,961	46,034	149,102	297,096
Insurance	51,809	3,986	42,704	98,499
Utilities	2,469	0	60,281	62,750
Depreciation	163,108	28,188	275,914	467,210
Total operating expenses	<u>2,882,573</u>	<u>1,083,078</u>	<u>798,059</u>	<u>4,763,709</u>
Operating income	<u>742,778</u>	<u>98,110</u>	<u>153,632</u>	<u>994,520</u>
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous	350,109	39,014	70,881	460,004
Bad debts recovered	1,851	0	0	1,851
Interest and fiscal charges	(167,140)	0	(172,635)	(339,775)
Gain on sale of fixed assets	35,000	0	0	35,000
Bad debts written off	(15,683)	(3,150)	(6,555)	(25,388)
Total nonoperating revenues (expenses)	<u>204,137</u>	<u>35,864</u>	<u>(108,308)</u>	<u>131,692</u>
Income before operating transfers	<u>946,915</u>	<u>133,974</u>	<u>45,324</u>	<u>1,126,212</u>
OPERATING TRANSFERS				
Transfers in	402,688	0	271,453	674,141
Transfers out	(777,113)	(548,474)	(181,019)	(1,506,606)
Total operating transfers	<u>374,424</u>	<u>(548,474)</u>	<u>90,434</u>	<u>832,464</u>
NET INCOME	<u>572,490</u>	<u>(414,500)</u>	<u>135,757</u>	<u>293,748</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>2,243,369</u>	<u>1,252,557</u>	<u>2,632,352</u>	<u>6,128,279</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 2,815,860</u>	<u>\$ 838,057</u>	<u>\$ 2,768,109</u>	<u>\$ 6,422,026</u>

City of New Roads
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended December 31, 2000

	Electric Utility Fund	Natural Gas Fund	Water & Sewer Fund	Total Memo Only
Cash flows from operating activities:				
Income (loss) before operating transfers	\$ 946,915	\$ 133,974	\$ 45,324	\$ 1,126,212
Adjustments to reconcile operating income to net operating cash provided by operating activities:				
Depreciation	163,108	28,188	275,914	467,210
Gain on sale of fixed asset	(35,000)	0	0	(35,000)
Changes in assets and liabilities:				
(Increase) Decrease in accts rec	(257,949)	0	0	(257,949)
(Increase) Decrease in due from other funds	88,709	200,184	(137,662)	151,231
(Increase) Decrease in prepaid exp	3,960	(355)	1,232	4,837
Increase (Decrease) in accts pay	(29,498)	186,122	4,329	160,953
Increase (Decrease) in due to other funds	(33,227)	926	(118,096)	(150,397)
Increase (Decrease) in accrd payables	1,603	631	(69)	2,165
Increase (Decrease) in meter deposits	3,108	0	0	3,108
Net cash provided (used) by operating activities	<u>851,729</u>	<u>549,670</u>	<u>70,971</u>	<u>1,472,371</u>
Cash flows from noncapital financing activities:				
Operating transfers in	402,688	0	271,453	674,141
Operating transfers out	<u>(777,113)</u>	<u>(548,474)</u>	<u>(181,019)</u>	<u>(1,506,606)</u>
Net cash provided from (used) for noncapital financing activities	<u>(374,424)</u>	<u>(548,474)</u>	<u>90,434</u>	<u>(832,464)</u>
Cash flows from capital and related financing activities:				
Acquisition and const of capital assets	(1,737)	(577)	(168,170)	(170,483)
Principal payments	<u>(80,000)</u>	<u>0</u>	<u>(85,000)</u>	<u>(165,000)</u>
Net cash provided from (used) from capital and related financing activities	<u>(81,737)</u>	<u>(577)</u>	<u>(253,170)</u>	<u>(335,483)</u>
Cash flows from investing activities:				
Purchase of investments	(1,452,816)	(69,805)	(1,541,063)	(3,063,684)
Proceeds from sale of investments	1,329,636	0	1,455,087	2,784,723
Proceeds from sale of fixed assets	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>35,000</u>
Net cash provided (used) from investing activities	<u>(88,180)</u>	<u>(69,805)</u>	<u>(85,977)</u>	<u>(243,962)</u>
NET INCREASE (Decrease) IN CASH AND CASH EQUIVALENTS	<u>307,388</u>	<u>(69,184)</u>	<u>(177,741)</u>	<u>60,462</u>
Cash and cash equivalents at beginning of year				
Unrestricted cash	516,977	203,264	152,328	872,569
Restricted Cash	<u>582,331</u>	<u>0</u>	<u>310,392</u>	<u>892,724</u>
TOTAL BEGINNING CASH	<u>1,099,308</u>	<u>203,264</u>	<u>462,721</u>	<u>1,765,293</u>
Cash and cash equivalents at end of year				
Unrestricted cash	784,656	134,079	36,341	955,076
Restricted Cash	<u>622,041</u>	<u>0</u>	<u>248,638</u>	<u>870,679</u>
TOTAL ENDING CASH	<u>1,406,696</u>	<u>134,079</u>	<u>284,979</u>	<u>1,825,755</u>

MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

VAN P. MAJOR, CPA, PC
JOHN L. MORRISON III, CPA, PC

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Sylvester Muckelroy
And Members of the City Council
City of New Roads, Louisiana 70760

We have audited the general purpose financial statements of the City of New Roads, Louisiana, as of and for the year ended December 31, 2000 and have issued our report thereon dated June 13, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

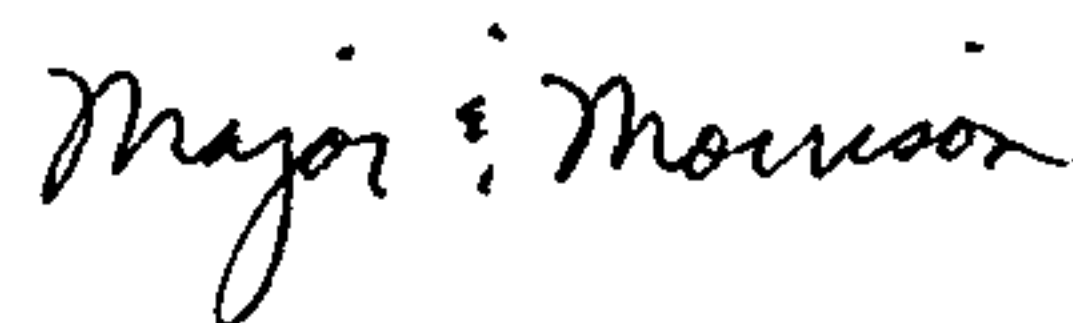
As part of obtaining reasonable assurance about whether the City of New Roads, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of New Roads, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City of New Roads, Louisiana mayor and council members, management, and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major & Morrison
New Roads, Louisiana
June 13, 2001



**CITY OF NEW ROADS
New Roads, Louisiana
Schedule of Findings and Questioned Costs
As of and For the Year Ended December 31, 2000**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

___yes X no

Reportable condition(s) identified not
considered to be material weaknesses?

___yes X none reported

Noncompliance material to financial statements
noted?

___yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no financial statement findings

CITY OF NEW ROADS
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2000

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I – Internal Control and Compliance Material to the Financial Statements:

Not applicable.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

No management letter was issued.

**CITY OF NEW ROADS
New Roads, Louisiana**

**Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 2000**

<u>Ref. No.</u>	<u>Descrip. of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completed</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

There were no current year audit findings.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

No management letter was issued.

CITY OF NEW ROADS
New Roads, Louisiana
Schedule of Insurance
Unaudited
As of and for the Year Ended December 31, 2000

<u>Insurance Company</u>	<u>Policy Term</u>	<u>Policy Description</u>	<u>Policy Limits</u>
Hartford Steam Boiler Ind. Co.	6/1/00 to 6/1/2001	Boiler and Machinery	\$1,500,000 limit; \$2,500 deductible (to actual cash value of equipment depending on age of equipment)
All State Insurance Co.	1/3/00 to 1/3/2001	Fire Standard Blanket Policy on Bldg. & Prop	\$5,356,920 Personal Prop. limit; 90% Coinsurance; \$1,000 Deductible
National Union	4/9/00 to 4/9/2001	General Liability	\$2,000,000 general aggregate; \$5,000 general deductible
American International	6/21/00 to 6/21/03	Pollution	\$3,000,000 Aggregate \$25,000 deductible

CITY OF NEW ROADS
New Roads, Louisiana
Schedule of Electric, Water, & Gas Customers
Unaudited
As of and for the Year Ended December 31, 2000

Number of metered electric customers	1971
Number of non-metered electric customers	<u>-</u>
Total electric customers	1971
Number of metered water customers	2609
Number of non-metered water customers	<u>-</u>
Total water customers	2609
Number of metered gas customers	2039
Number of non-metered gas customers	<u>-</u>
Total water customers	2039